



# TSDAC Meeting

March 3, 2023



# Today's Agenda

- Call to Order/Introductions – Chair McGlennon
- Recap: 2022 TSDAC Recommendations – Grant Sparks
- 2023 General Assembly Update – Andy Wright
- FY24 MERIT Operating Assistance Projections – Dan Sonenklar
- Open Discussion
- Public Hearing
- Wrap Up/Next Steps

# 2022 TSDAC Recommendations

# Recap: 2022 TSDAC Recommendations

## MERIT Capital Assistance Prioritization

TSDAC recommended, and the CTB approved, the following policy changes:

1. *Provide incentives for transit agencies to seek federal discretionary funding*
2. *Update scoring methodology to allow for just-in-time delivery of replacement vehicles and other assets*
3. *Update scoring methodology to include more project categories which will allow DRPT to differentiate more between certain project types*
4. *Add an “Incentive Scoring” category which will reward projects that achieve statewide priority goals*
5. *Update scoring methodology for Major Expansion projects to simplify and streamline the scoring process*

# Recap: 2022 TSDAC Recommendations

## Transit Strategic Plan (TSP) Guidelines

TSDAC recommended, and the CTB approved, the following changes:

1. *Modify the TSP Annual Update process from a letter submission to a joint-quarterly meeting*
2. *Modify the 5-year review from a “Major Update” to a “Minor Update”*

# Recap: 2022 TSDAC Recommendations

## MERIT Operating Assistance Formula

TSDAC voted unanimously to make no recommended changes to the MERIT Operating Assistance formula but committed to reconvene in Spring 2023 to revisit this program. Key takeaways from the discussion on the MERIT Operating Assistance formula:

1. *General consensus reached that the MERIT Operating Assistance formula is functioning as-intended*
2. *Discussion regarding transit agencies that were projected to see a decrease in FY24 Operating Assistance funding compared to FY21 funding levels*

*Note: FY22 and FY23 funding levels were higher than usual due to revenue uplift*

# 2023 General Assembly Update

# Commonwealth Mass Transit Fund Changes

## **HB1496 (Delegate Austin)/ SB1079 (Senator Cosgrove)**

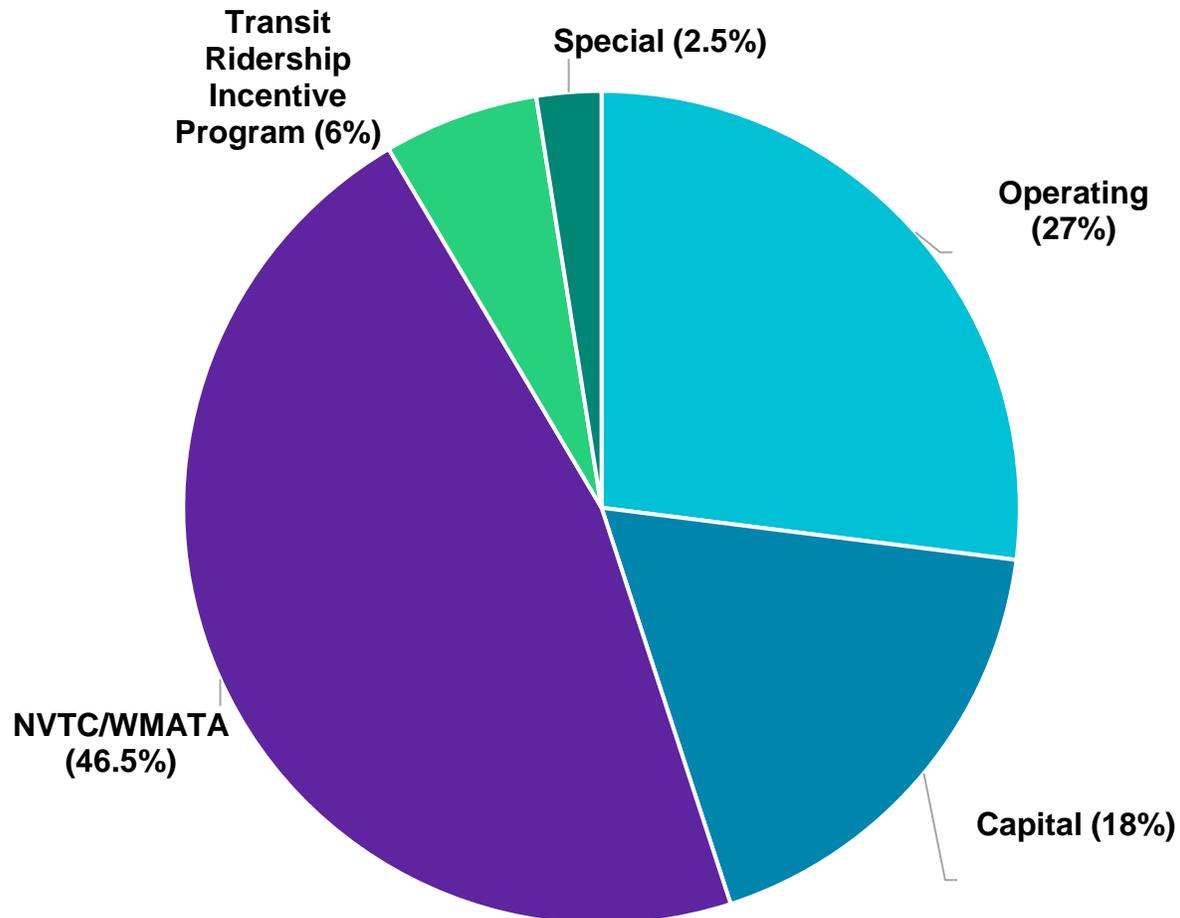
Makes changes to § 33.2-1526.1 by creating a separate category of funds for the Virginia Railway Express (VRE)

Provides additional Commonwealth Transportation Board oversight requirements for VRE and Washington Metropolitan Area Transit Authority (WMATA)



# Commonwealth Mass Transit Fund

## Current Distribution of State Dollars

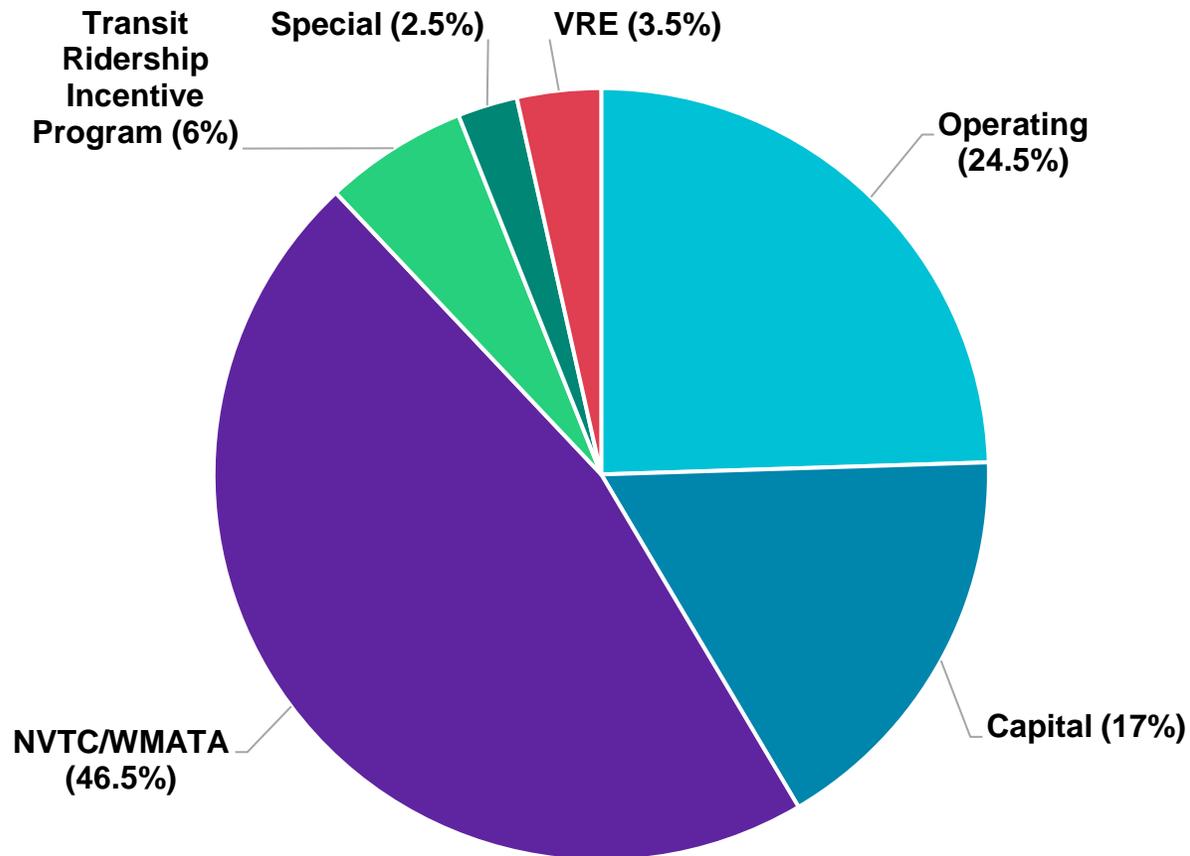


FY21: DRPT allocated \$13.4M to VRE for operating assistance and capital projects

- **Operating:**
  - Distributed via performance metrics to support transit operations (excluding WMATA)
- **Capital:**
  - Allocated via an application-based prioritization process to support transit capital purchases (excluding WMATA)
- **NVT/WMATA:**
  - Distributed for operating assistance and capital expenditures
- **Transit Ridership Incentive Program:**
  - Allocated to support regional connectivity and low-income programs
- **Special:**
  - Support for transportation demand management, pilot projects, and provide technical assistance
- **“Off the Top” Deductions:**
  - WMATA PRIIA (\$50M)
  - State Safety Oversight (\$2M)
  - Paratransit (\$1.5M)
  - DRPT Administrative Costs (up to 5%)

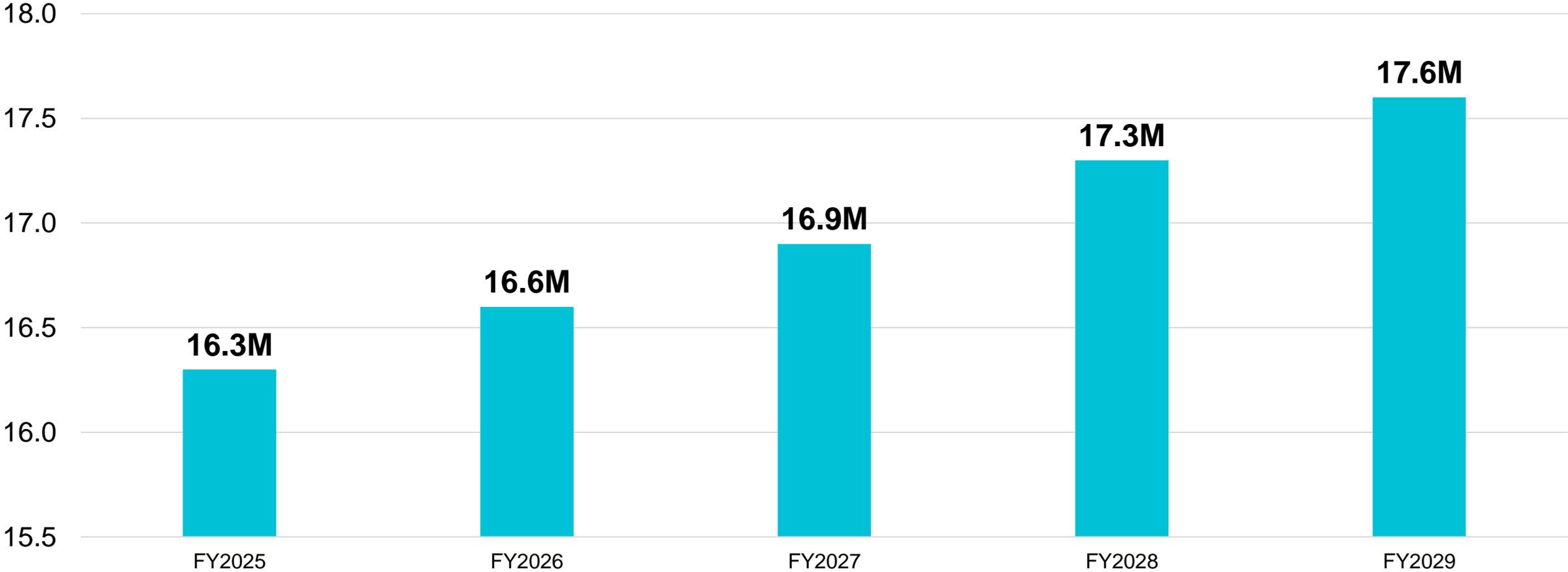
# Commonwealth Mass Transit Fund

## Proposed Distributions



- VRE will not receive funding for capital and operating assistance in the same manner as other transit agencies that predominately provide bus service
- Separate category of **up to 3.5%** within the CMTF dedicated for VRE
  - CTB will determine exact share by using performance-based metrics specific to commuter rail
  - Funds not used will be redistributed to the statewide capital program for use by other transit systems
- Changes will go into effect with the FY2025 Six Year Improvement Program

# VRE FY2025-2029 Maximum Allocations



\*Based on December 2022 Revenue Forecast



## CTB Oversight-VRE

- VRE is required to submit a detailed operating budget and proposed capital expenditures annually to the Board by February 1
  - The Board may withhold 20 percent if VRE fails to do so

# CTB Oversight-WMATA

- **Maintains current funding structure (46.5%) for distribution to WMATA for capital purposes and operating assistance. However,**
  - The Commonwealth will provide no more than 50% of VA's share of operating and capital assistance in the approved WMATA Budget
  - NVTC will now be required to provide at least 50%
  - Excess funds will be redistributed to statewide capital program
- **CTB may withhold 20 percent of funding to NVTC for WMATA if:**
  - WMATA fails to provide proposed annual operating budget and capital expenditures by April 1
  - Commonwealth's and Northern Virginia Transportation Commission's representatives to the WMATA Board of Directors and WMATA General Manager fail to annually address the CTB regarding the WMATA budget, system performance, and utilization of the Commonwealth's investment in the WMATA system
- **Specifies what is needed in WMATA's strategic plan by adding the same requirements that urban transit agencies in Virginia must follow**

# Transit Ridership Incentive Program

- **SB1326 (McClellan)/HB 2338 (McQuinn)**
  - Allows the CTB to allocate up to 30 percent of Transit Ridership Incentive Program funds for bus shelters and electric bus infrastructure
- By-product of the Virginia Equity and Modernization Study
- Virginia Transit Association-led legislation



# FY24 MERIT Operating Assistance Projections

# FY24 Projected Operating Assistance

FY24 projected operating assistance allocations presented to TSDAC in 2022 included data assumptions that may have limited its accuracy:

- *Extrapolated FY22 transit agency performance data*
- *FY21 audited financials for each transit agency*
- *Projected FY24 Operating Assistance revenues*

The formula for FY24 operating assistance allocations will use:

- *FY22 audited transit agency performance data*
- *FY22 audited financial for each transit agency*
- *Actual FY24 Operating Assistance revenues*

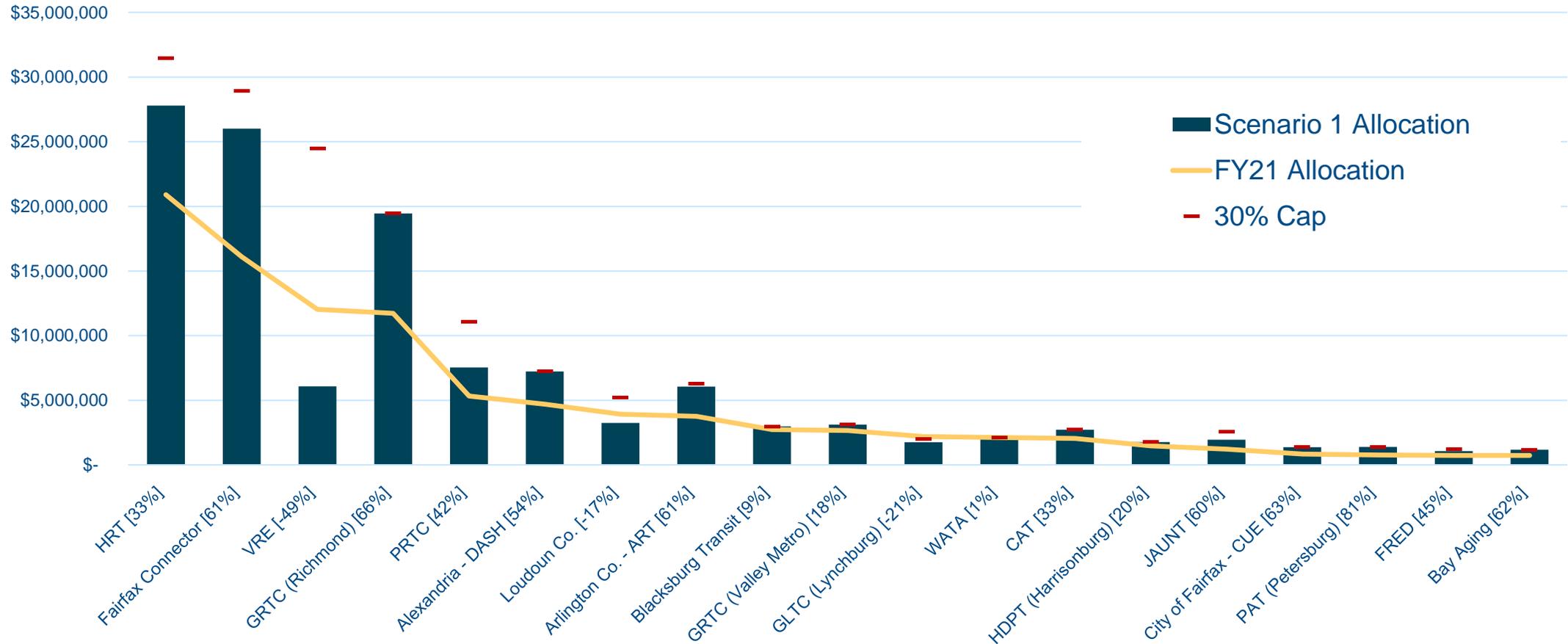
# Updated FY24 Projected Operating Assistance

## Data Assumptions:

- Total Operating Assistance Available: **FY24 Projection** (*updated 12/2022*)
- Expenses for Sizing and Performance: **FY21** (*FY22 audited figures not available*)
- Ridership/ VRH/VRM: **FY18, FY19, FY21, FY22**
- PMT for Commuter Rail Sizing: **FY22**

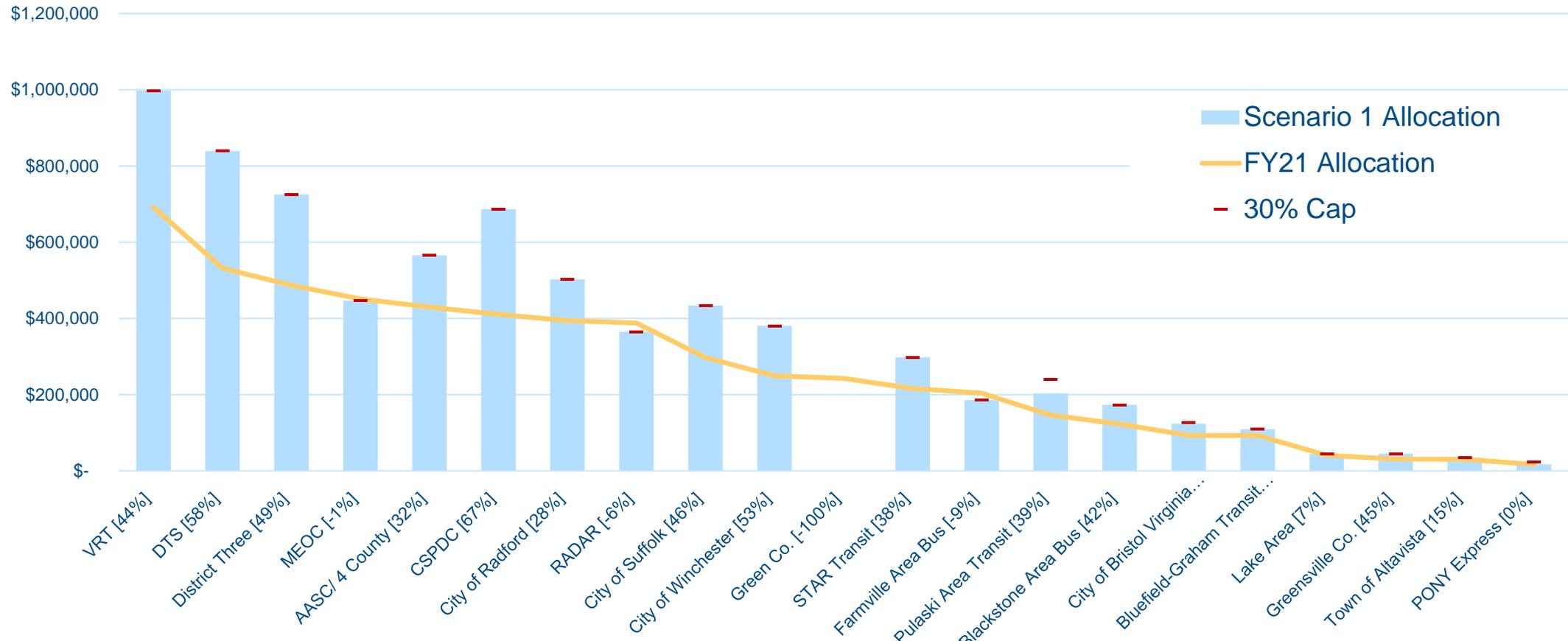
# FY21 vs. FY24 Projected Operating Assistance

FY21 Actual vs. FY24 Projected Operating Assistance Allocations [Upper 2 Quartiles]  
Total funding available: \$132,047,133



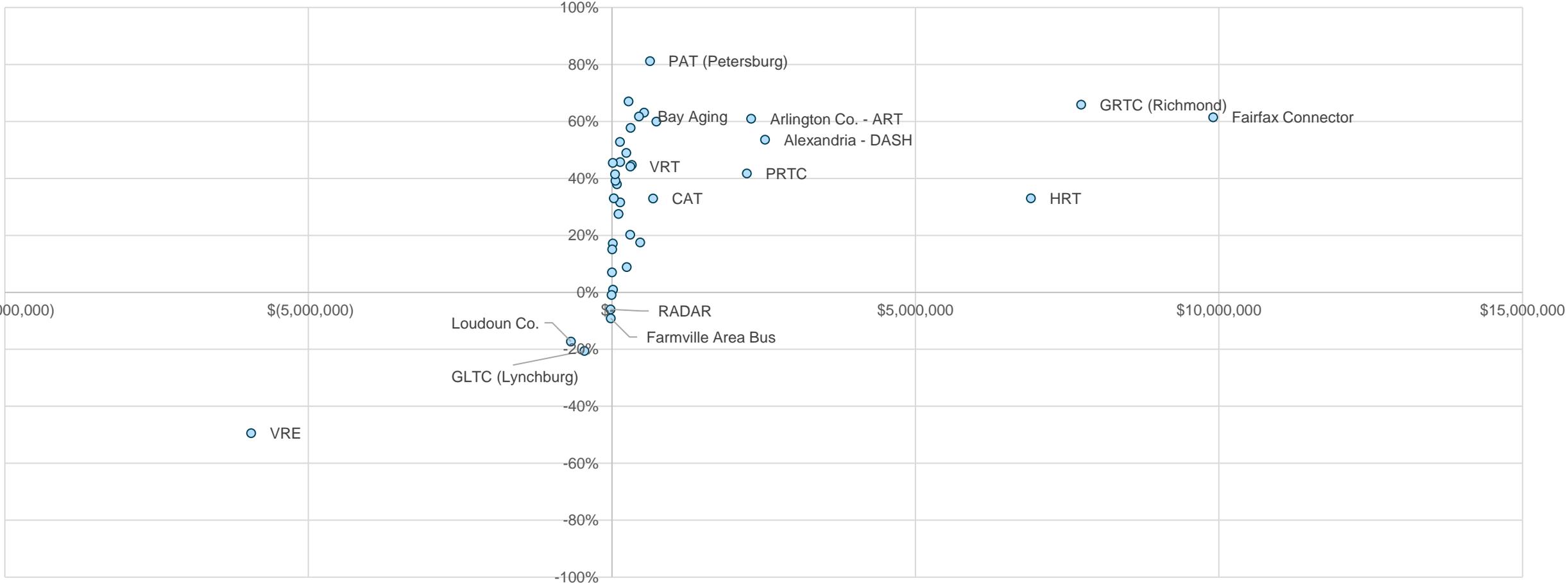
# FY21 vs. FY24 Projected Operating Assistance

**FY21 Actual vs. FY24 Projected Operating Assistance Allocations [Lower 2 Quartiles]**  
 Total funding available: \$132,047,133



# FY21 vs. FY24 Projected Operating Assistance

**Change between Baseline (FY21) and FY24**  
**X Axis = Amount Change, Y Axis = Percentage Change**



# Projected Reductions Compared to FY21

- **VRE: - 49%**
  - *Ridership and PMT decreased substantially during the pandemic, and recovery has been slow*
  - *General Assembly legislation may take VRE out of the DRPT MERIT capital and operating programs*
- **Loudoun County: - 17%**
  - *County discontinued many long-haul commuter routes during pandemic*
  - *DRPT awarded a FY23 TRIP grant to support costs associated with new service alignment that connects with the Silver Line*
- **GLTC (Lynchburg): - 21%**
  - *Liberty University service was discontinued – reduced expenses, ridership, hours, & miles*
  - *Allocation equals 26.5% of audited operating expenses – almost reaches 30% cap*
- **Farmville Area Bus: - 9%**
  - *Operating Expenses decreased, still reaching 30% cap*
- **RADAR: - 6%**
  - *Roanoke County service was discontinued – reduced expenses, ridership, hours, & miles*
  - *Still reaching 30% cap*

# Open Discussion

# Public Hearing

# Next Steps

- Draft FY24 SYIP presented to CTB on April 18, 2023

- *Will include draft FY24 Operating Assistance allocations*

- Other program highlights:

- *Capital*

Project Type	Number	Total Cost	State Request
State of Good Repair	306	\$111M	\$66M
Minor Enhancement	125	\$59M	\$38M
Major Enhancement	3	\$170M	\$32M
<b>Total</b>	<b>434</b>	<b>\$340M</b>	<b>\$136M</b>

- *Technical Assistance*
  - 31 applications received (highest number ever)
- *Demonstration*
  - 12 applications received
- *Workforce Development*
  - 9 applications received
- *TRIP*
  - 3 applications received

- April TSDAC Meeting